

Water Resources - a Good Investment

Every spring, Americans file their income tax returns, and often wonder what they are getting for their money. In water resource projects, the answer is, plenty: harbors handling trade that generates one job in 7 in the U.S., waterways that move 1/6 of the Nation's freight at half the cost of alternative modes, sand for beaches that are the destination of 3/4 of U.S. vacations, lakeside recreation areas that host 1 in 10 Americans at least one day every year, over half a billion dollars in hydropower sales, water supply to about 10 million people, and restoration of millions of acres of environmental resources.

The Nation's water resources program is one of the few Federal programs required to demonstrate that every \$1 spent on it will produce at least \$1 in benefits to the public. Among these benefits are reduction of damage and loss of life from floods; reduced transportation costs of foreign and domestic waterborne commerce; hydroelectric power; water supply to citizens, industries, businesses, and farms; and recreational opportunities.

The Army Corps of Engineers is the Federal government's largest water resources agency. In Fiscal Year 1999 the Corps water resources program, using appropriations of about \$4.1 billion, provided more than \$35.7 billion in direct economic benefits:

- Flood damages prevented: \$21.2 billion
- Inland navigation transportation cost savings: \$4.9 billion
- Deep draft transportation cost savings: \$1.8 billion
- Hydroelectric power generation: \$5.3 billion
- Municipal, industrial, and agricultural water supply: \$950 million
- Provision of recreational opportunities: \$1.6 billion

The benefits of water infrastructure can be demonstrated in other ways. For example:

- Flood protection infrastructure has prevented \$706 billion in damages over the past 25 years for an investment of \$119 billion - a 6-to-1 return on investment.
- Nearly 400 million visits annually to Corps of Engineers recreational facilities generate \$15 billion in economic activity and support over 500,000 jobs.
- The harbors the Corps maintains are America's link to world markets. In its 1999 report to Congress, *"An Assessment of The U.S. Maritime Transportation System"*, the U.S. Department of Transportation reported that waterborne cargo movements created employment opportunities for more than **13 million** individuals.

The development of our Nation's water resources has significantly improved the quality of life for our citizens and provided a foundation for the economic development, growth, and prosperity which our country has enjoyed to the present day. The Nation's water supply, treatment, and distribution systems, flood protection works, multipurpose water resource projects, and water transportation system features contribute to our national prosperity.

For more on the Army Corps of Engineers program, visit our website www.usace.army.mil/public.html.